

# OP Uusimaa's year 2023





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# Shared dreams for 120 years

## CEO's statement

OP Uusimaa has been operating in its current form for over a year, but our roots go back much further, all the way to the founding of Hyvinkään Osuuskassa on 23 May 1904. We have been helping the people of Uusimaa to realise their dreams for nearly 120 years. A brief overview of the bank's history and key events across the years can be found at the end of this summary.

OP Uusimaa, OP Itä-Uusimaa and OP Helsinki merged in August 2022, and the story of the new OP Uusimaa began. The bank's first full year in operation went extremely well.

Our vision is to be the leading bank in Uusimaa and we're now on the right track towards achieving this: our share of wallet has grown, the customer experience is at a good level and our revenue is extremely strong. We have invested heavily in our staff and services.

Our position as a provider of home loans has particularly improved during the year. Every tenth home loan granted so far in Finland and as many as 13 per cent of new home loans are now provided by OP Uusimaa.

### Uusimaa as a pioneer for the whole of Finland

The Uusimaa region plays a major role in Finland's overall development: 40 per cent of Finland's GDP is generated in Uusimaa. Alongside the regions of Pirkanmaa and North Ostrobothnia, Uusimaa has grown faster than the rest of Finland since 2000. Demographic change is the strongest factor shaping the region's GDP, and Uusimaa's population is expected to continue growing from its current level of over 1.7 million. The region's development therefore has a positive outlook.



Causes for concern are general economic development and the uncertain global situation, whose impacts on Finland's economy are difficult to predict. The last few years have been marked by an exceptional sequence of crises and upheavals, from the pandemic to the two-year-old war in Ukraine, and the Gaza conflict that began in late 2023.

These issues are impacting on economic growth and on each of our personal lives in a number of ways. Many people's finances have been affected by last year's strong and rapid rise in interest rates in particular. Rates have decreased slightly since their autumn peak and are now expected to fall moderately during the current year. A recovery is expected in home sales, which have been slow, as rates fall – there were already small signs of this at the end of last year.

The uncertain economic situation has also dampened companies' willingness to invest. A survey held by OP Uusimaa in the autumn of 2023 indicated that 44 per cent of SMEs in the region had to postpone investments last year. Companies are awaiting a brighter economic outlook as their cue to develop their businesses and make larger investments.

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Throughout its history, OP Uusimaa's task has been to stand by and support its customers, building a better tomorrow for all of us together.

As an owner-customer, you benefit from our strong financial performance

OP Uusimaa's mission is to promote the sustainable prosperity, security and wellbeing of its owner-customers and operating region.

Achieving this enables us to distribute a significant share of our earnings to our owner-customers. We paid an additional 30 per cent on OP bonuses accumulated in 2023. This year, we will pay an extra 40 per cent on OP bonuses. As our owner-customer, you will also benefit from free daily banking services until the end of 2024.

We are strongly involved in the lives and daily interactions of people in the Uusimaa region. Among other activities, we support research into children's and young people's illnesses and are participating in a project to protect biodiversity in Uusimaa. We promote physical activity among children and youngsters through over 100 partner clubs, teach young people financial skills, and help older people to acquire digital skills.

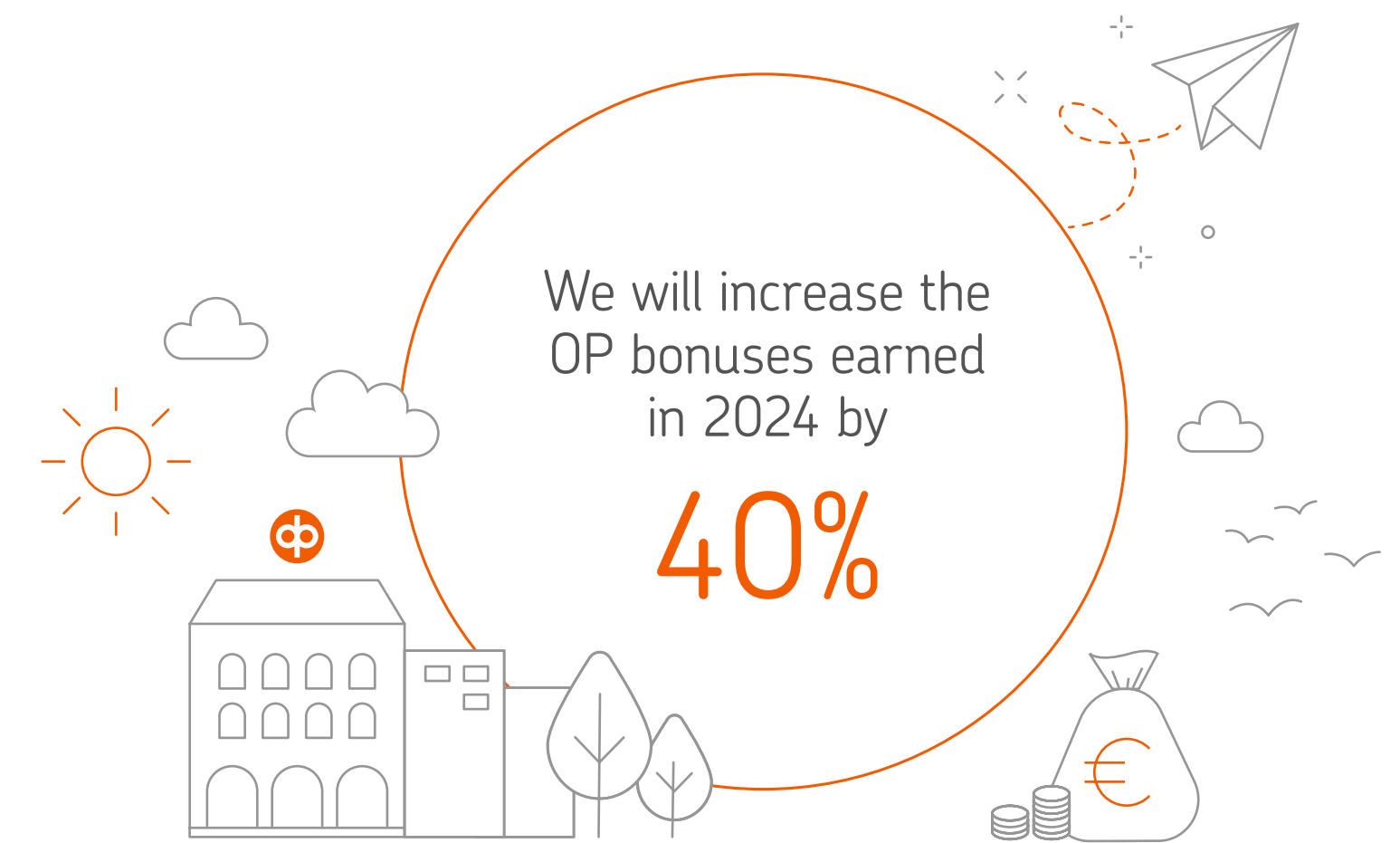
This year, we will enable the provision of summer jobs for 500 young people in associations and clubs operating in Uusimaa. In honour of our 120-year history and to fulfil the wishes of our owner-customers, we

will also donate 250,000 euros to promote wellbeing and the environment in our region.

OP Uusimaa will celebrate its 120th anniversary this year. Throughout its history, OP Uusimaa's task has been to stand by and support its customers, building a better tomorrow for all of us together. We want to continue enabling the people of Uusimaa to realise their hopes and dreams.

**Olli Lehtilä**

Managing Director of OP Uusimaa



# Key figures 2023

Operating profit

€233.2 million

(95.5)

Financing

€16.8 billion

↑ 0.1%

Owner-customers

362,096

↑ 11,774

Cost/income ratio, %

40.0

(57.6)

Customer assets

€18.1 billion

→ 0.0%

Earned OP bonuses

€59.6 million

(45.0)

Common Equity Tier 1 (CET1) ratio, %

17.6

(17.1)

NPS

76

eNPS

44

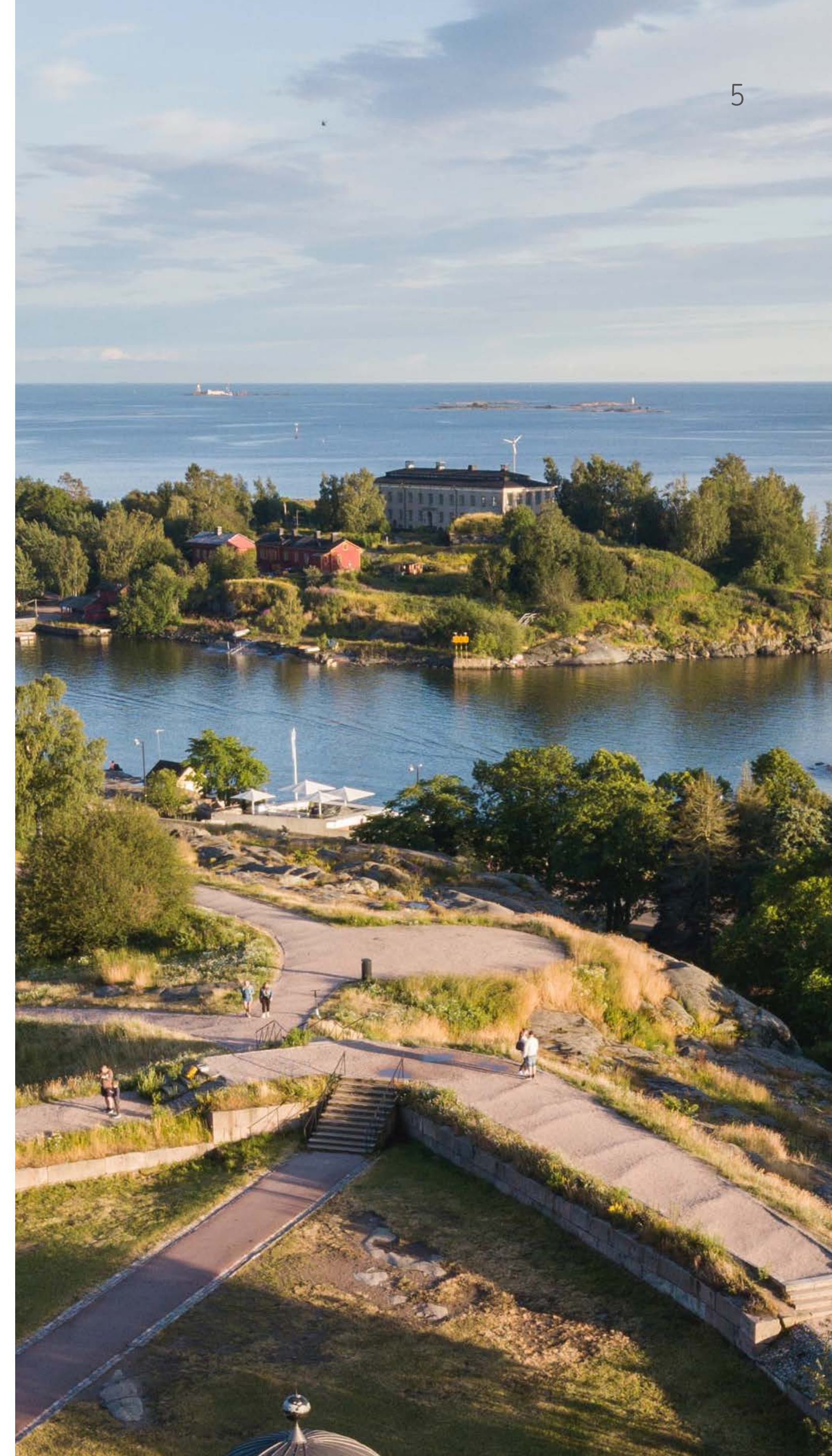
(30)

Personnel

1,200

↑ 158

Year-on-year comparatives. The figures and ratios are based on pro forma data.  
The official figures can be found in OP Uusimaa's financial statements.



# Key figures 2023

## Housing

**1.8** € billion

In 2023, we at OP Uusimaa helped our customers to provide for the future and prosper, do business and achieve their dreams. We provided 1.8 billion euros in financing for home purchases.



## Housing



30% of our home loans had interest rate protection.

In other words, we helped our customers to save 39 million euros in interest payments.

## Investing



Year on year, our customers opened 24% more book-entry accounts and equity savings accounts and made an additional 402 million euros in investments.

80% of our customers' new fund investments were in responsible investment funds.

## OP bonuses

**30%**

Our customers accumulated 60 million euros in OP bonuses, which is around 30% more than last

## Financing

**264** € million

We provided 264 million euros to help our customers fulfil their daily needs and dreams.

**696** € million

We provided 696 million euros in financing for housing companies.

**351** € million

We provided 351 million euros in financing for business activities

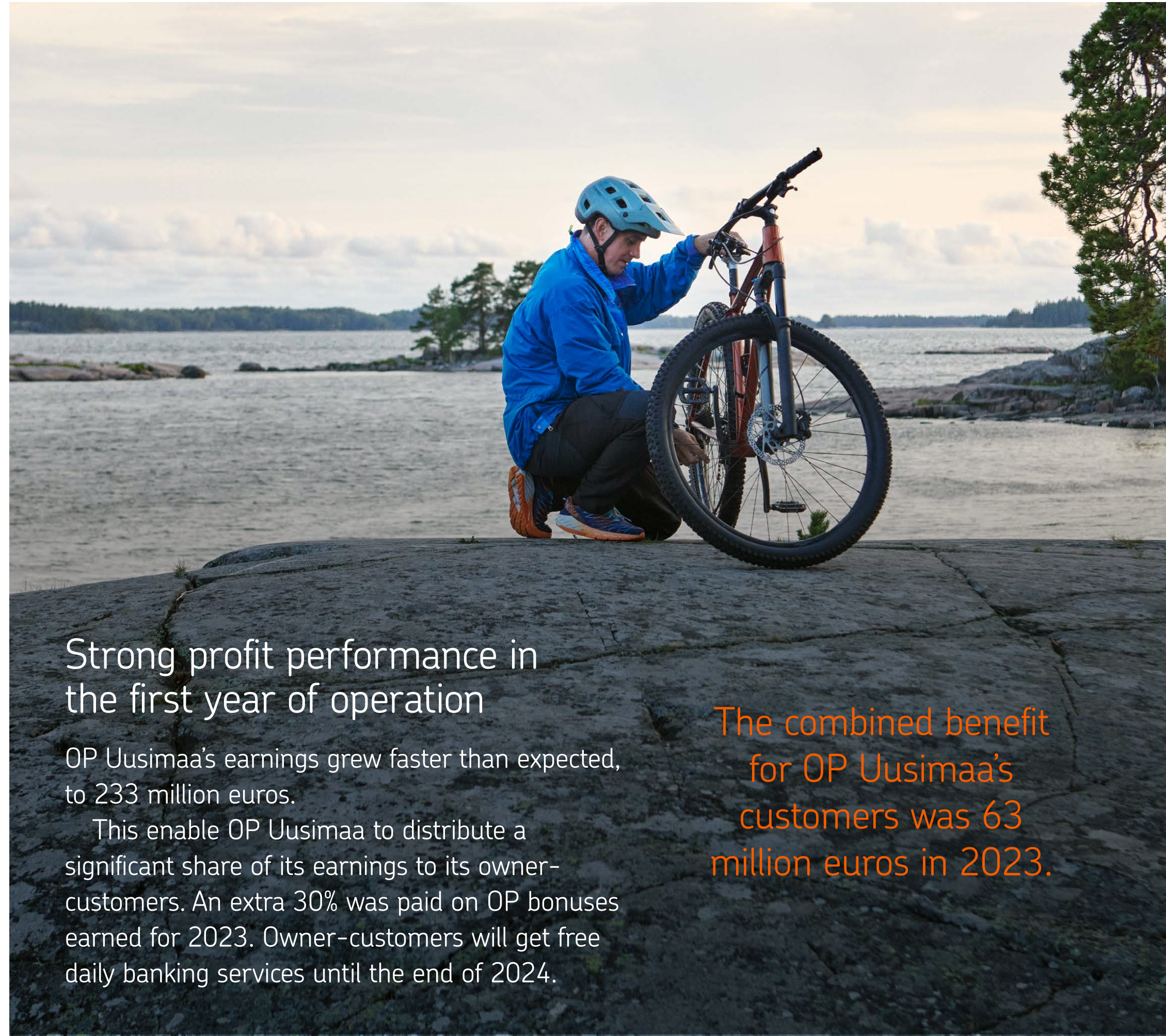
## Responsibility

**1.4** € million

We provided over 1.4 million euros in support for associations and clubs in the Uusimaa region.



# Highlights from 2023



## Strong profit performance in the first year of operation

OP Uusimaa's earnings grew faster than expected, to 233 million euros.

This enable OP Uusimaa to distribute a significant share of its earnings to its owner-customers. An extra 30% was paid on OP bonuses earned for 2023. Owner-customers will get free daily banking services until the end of 2024.

The combined benefit for OP Uusimaa's customers was 63 million euros in 2023.

## Strengthened position as a mortgage lender

OP Uusimaa has major significance as a provider of home loans in Uusimaa and throughout Finland:

OP Uusimaa's market share rose to over 13% of newly granted home loans, and to over 10% of total home loans in Finland.



A third of OP Uusimaa's home loans have interest rate protection. This is of great benefit to our customers, who saved 39 million euros in interest expenses in 2023.



The corporate customer financing portfolio remained the same year on year. Corporate customers were less willing to invest than in 2022, particularly in construction.

Since spring 2023, OP Uusimaa has been offering corporate customers and housing companies Green loans to promote ESG investments.

# Highlights from 2023



OP was chosen as the best Private Banking service provider in Finland among customers with over one million euros in invested assets.

The Wealth Planning service played a particularly strong role in winning this award.

OP Uusimaa is the largest Private Banking service provider for OP Financial Group's retail banking customers: Wealth Planning services are strongly focused in our bank's operating region.

## Strong visibility in asset and wealth management

We implemented a high-profile marketing campaign in the Uusimaa region. The resulting publicity promoted customer acquisition: a record total of almost 500 new OP Private clients were acquired.

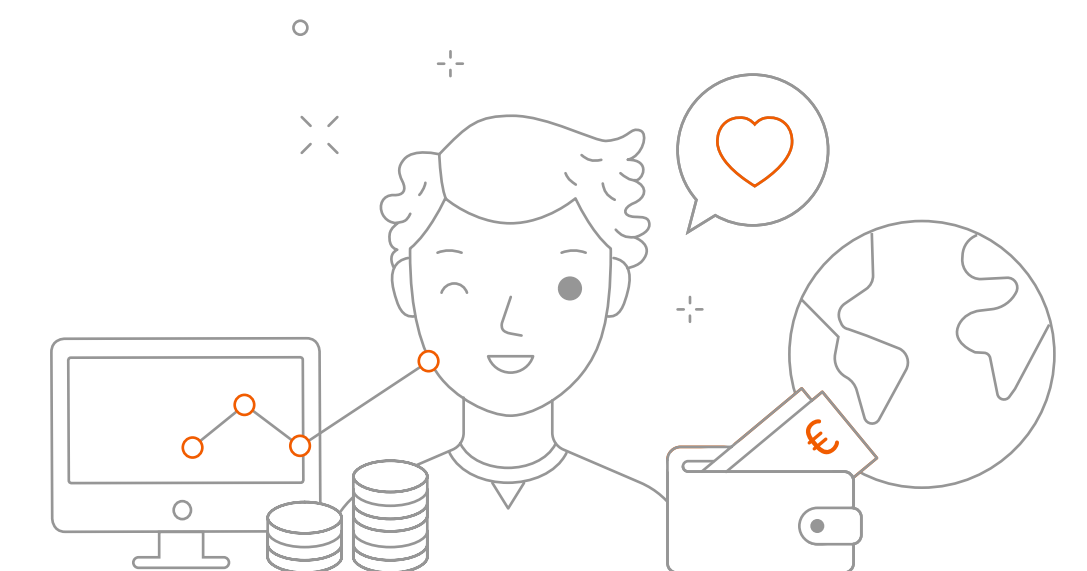


## Investments in international customers

International customers are an important target group for the bank. OP Uusimaa has been focusing on international customers.

Almost a third of new digitally onboarded personal customers aged 18 or over were international.

We participated in several international events held in our operating region. Active local cooperation and networking between international actors are the cornerstones of customer acquisition, creating new opportunities to grow our market share of international customers.



## Järvenpää and Tapiola branches moved

OP Uusimaa's Järvenpää branch moved into new facilities on 1 January 2023, and the Tapiola branch did the same on 19 June 2023. In both branches, banking, non-life insurance, wealth management services, OP Koti services and service hours for personal and corporate customers remained the same.

## OP Building Management Itä-Uusimaa to Oiva Property Management

OP Uusimaa ended its OP Isännöinti building management service in the Eastern Uusimaa region by selling the company's shares to Oiva Isännöinti Group Oy. An agreement on the transaction was signed and concluded on 30 April.



# Highlights from 2023

## Close to our customers in their daily lives

Through our basic services for personal customers, we want to enable smooth use of OP's daily services and create a strong foundation for cross-service customer interaction. A total of 110 new employees started in basic service provision during the period. We have a strong focus on staff competencies and the customer experience.

During the year, we were actively involved in solving customers' daily financial matters, coaching them in financial literacy, and helping them to start using daily digital services. We arrange regular digital training events throughout our operating region.

## +400 € million

Our customers increased their investment holdings by EUR 400 million in net terms, with particular growth in corporate customer investment solutions.

Interest in stock investing remained strong: the number of new book-entry accounts and equity savings accounts rose by 24% from a year ago.

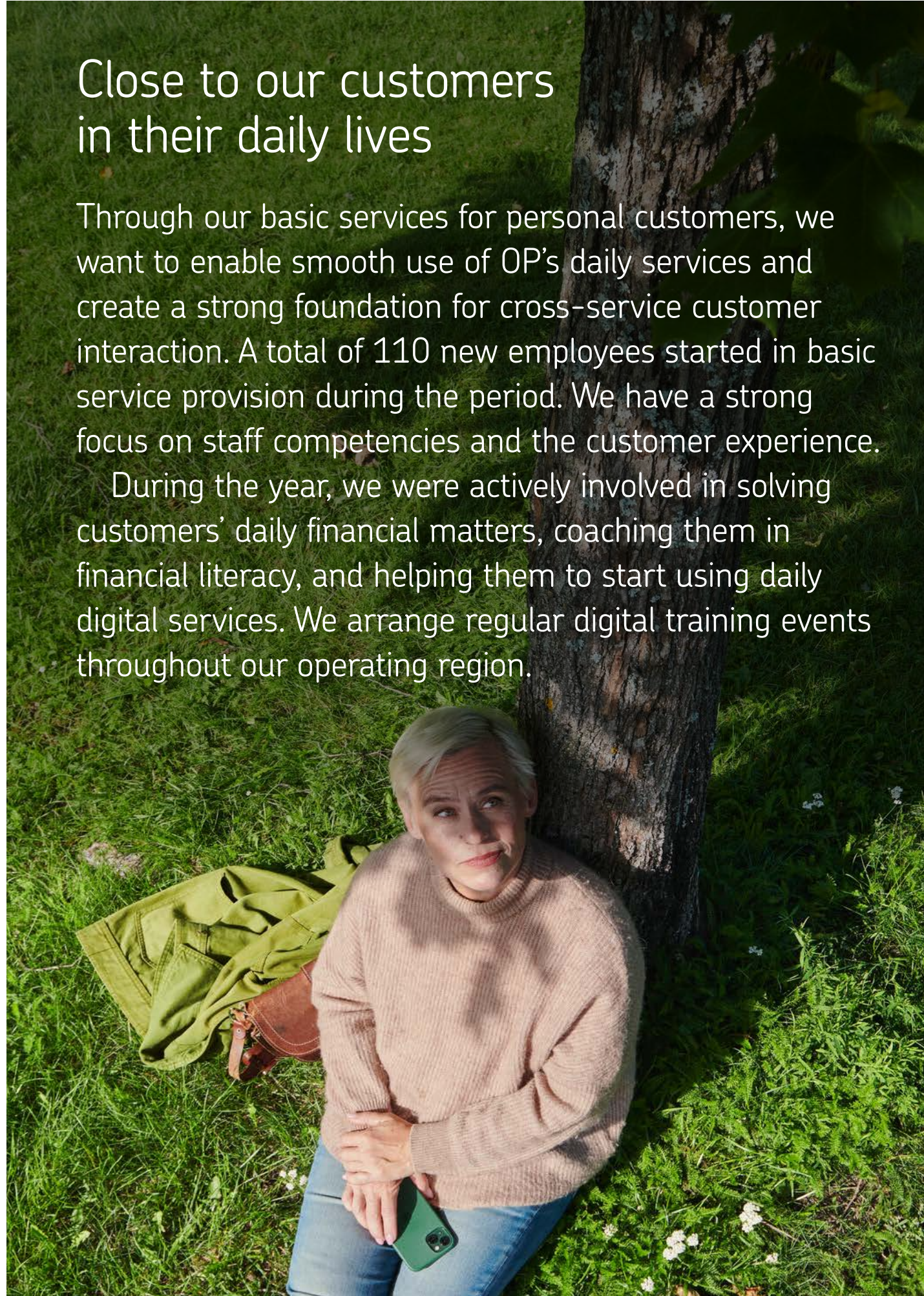
In net terms, the number of OP Uusimaa customers with mutual fund holdings increased by 4,700 in 2023.

## 5.5% Return target for 2024

OP Uusimaa launched a new Profit Share issue from 2 May 2023 to 30 April 2024. The return target for 2024 is 5.5%.



OP Uusimaa will turn 120 years old in 2024. OP Uusimaa, OP Itä-Uusimaa and OP Helsinki merged in August 2022, and the story of the new OP Uusimaa began. Its roots reach back to the establishment of Hyvinkään Osuuskassa on 23 May 1904.



# Corporate responsibility is an integral part of OP Uusimaa's business and strategy

OP Financial Group's sustainability programme is built around three themes: Climate and the environment, People and communities, and Corporate governance. The programme is based on the Group's values, megatrends in the business environment and materiality assessments. OP Uusimaa's responsibility actions are based on OP Financial Group's sustainability programme.

The programme's "Climate and the environment section" sets goals for the provision of sustainable financial and investment products, emission reductions in loan and investment portfolios, and the promotion of biodiversity.

The "People and communities" section focuses on wellbeing in local communities, help in managing personal finances, and financial literacy.

Corporate governance involves integrating responsibility with all business activities and the related risk-taking, while pursuing the goal of greater diversity in governance.

OP Financial Group's Code of Conduct presents the Group's corporate responsibility and environmental principles, which all

employees must observe, regardless of their role, position or location.

Our Supplier Code of Conduct is binding on all of the Group's service providers, suppliers and partners. OP Financial Group is committed to complying with the ten principles of the UN Global Compact initiative in the areas of human rights, labour rights, the environment and anti-corruption. It has also agreed to follow the UN Principles for Responsible Investment and the UN Principles of Sustainable Insurance.

OP Uusimaa engages in corporate responsibility activities in accordance with OP Financial Group's sustainability programme.

Around 1,100 financial sector professionals work at OP Uusimaa, a workplace which puts

people first, prizes corporate responsibility and enables succeeding together. We prioritise employees' wellbeing, health, life-work balance, and equal opportunities to learn and develop. All employees completed a responsibility online course in 2023.

At OP Uusimaa, we use 100 per cent renewable electricity based on wind power. The bank joined the Green Office programme during the year.

Since spring 2023, OP Uusimaa has been offering corporate customers and housing companies Green loans to promote ESG investments. Our customers' interest in responsible investment grew last year: over 80 per cent of new fund investments by personal customers were in responsible investment funds.

OP Uusimaa actively seeks to enhance the financial literacy of young people and the digital skills of older people. Guidance on the use of digital services is integral to our customer interaction.

In 2023, we performed a number of corporate responsibility actions in which we e.g. promoted the employment of young people and better daily lives for low-income families. In May 2023, we began a major new project in response to the wishes of

owner-customers: we are providing around 500,000 euros in support for the protection of biodiversity in Uusimaa and medical research in the New Children's Hospital. This project will continue during 2024.

OP Uusimaa is a major sponsor of children's and youngsters' sporting activities and hobbies in the region: we cooperate with more than 100 partner clubs and associations, 80 of which are long-term partners.

Through our corporate responsibility projects and sponsorship agreements, we provided a total of more than 1.4 million euros of support for Uusimaa clubs in 2023.



# Good deeds across time; responsibility

OP Uusimaa 2023

We collaborated with over

**100**

partner clubs and societies. 80 of these relationships are long-term

We enabled

**500**

15 to 17-year-olds to get a summer job with 180 local associations. We gave **€200,000** in sponsorship



In support of children's and young people's leisure activities, we provided

**€700,000**

through local associations and club activities

We supported the leisure activities of around

**47,000**

children, youngsters and adults

We arranged 16 Hippo competitions, promoting exercise among

**5,000**

children

We improved

**5,000**

youngsters', adults' and older people's digital and financial literacy

**100%**

of electricity used in our branches was based on renewable energy

We launched two new responsibility projects in response to our owner-customers' wishes.

We provided around

**€500,000**

in support of ecological restoration and paediatric research in Uusimaa

We began offering green loans to corporate and housing company customers

Over

**80%**

of our customers' new fund investments were in responsible investment funds

# Review of history

On 23 May 1904, the first cooperative credit society was established in what was then the village of Hyvinkää. The society was one of the first of its kind in Finland. The Hyvinkään Osuuskassa cooperative credit society had 33 members in 1910.

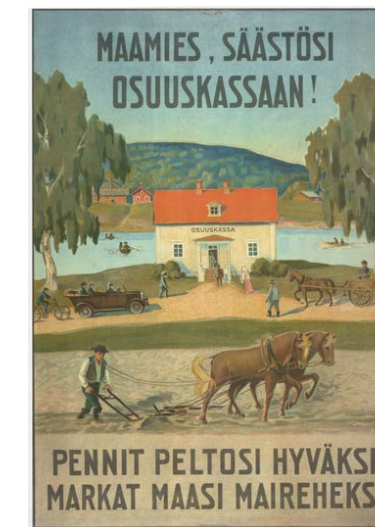
1904

The operations of cooperative credit societies became firmly established in the 1920s. In 1920, the credit societies were licensed to accept deposits from the general public as well as members, giving them a much closer resemblance to banks. Several new cooperative credit societies were founded in Uusimaa in the 1920s.

1920s

The cooperative credit society organisation's mutual liability was realised in 1933, when the Guarantee Fund for Cooperative Funds began operating.

1933



The Suur-Helsingin Osuuskassa cooperative credit society was established. The goal was to ease lending in the Helsinki Metropolitan Area to veterans and other groups entitled to land acquisition.

1946



1915–1917

The Hyvinkään Osuuskassa cooperative credit society bought 1,200 hectares of farmland, which it divided into 33 farms and handed over to landless members of society. The new farmers became its customers. By 1920, Hyvinkään Osuuskassa was the fourth largest cooperative credit society in Finland, with 160 members.

1928

The Central Association of Cooperative Funds was founded to act in rural areas as the central organisation for, and link between, cooperative funds and local associations of cooperative funds, providing them with their core principles and promoting cooperative credit societies.  
In the 1930s, the cooperative credit society organisation increased its market share of loans to around 10% and credit societies became the key credit institutions in rural areas.

1945

In the postwar years, cooperative credit societies had the task of distributing war evacuee loans granted by the state, mainly to the more than 400,000 evacuees from the Karelia territory ceded to the Soviet Union. They allocated almost 80% of such loans granted throughout the country, and almost 90% of reconstruction loans in Northern Finland.

1950s

The focus of cooperative credit societies' operations shifted towards urban areas. They began offering a broader range of services, nationally and internationally, and entered new sectors, such as real estate agency services.

# Review of history



Routine banking service provision began to change: payment services, ATMs, payment terminals and debit cards became means of withdrawing cash. Banking services became available by telephone.

Early 1980s

OP Bank Group became Finland's largest banking group.



1991

OP Bank Group became Pohjola Group plc's largest shareholder. Of historical significance, this transaction was OP Bank Group's largest ever, expanding its activities to non-life insurance. As a result, OP Bank Group became the leading financial services group in Finland.

2005

OP Uusimaa was established in September 2021, when the Representative Assemblies of Helsinki Area Cooperative Bank, Uudenmaan Osuuspankki (OP Uusimaa) and Itä-Uudenmaan Osuuspankki (OP Itä-Uusimaa) decided to merge, forming a single OP cooperative bank. The new bank began operating in August 2022.

2021

1970

Cooperative credit societies became OP cooperative banks as a result of the new Act on Co-operative Banks and Other Co-operative Credit Institutions. The orange logo used today became the bank group's symbol.

For OP cooperative banks in the Uusimaa region, the 1970s and early 1980s were increasingly characterised by urbanisation and a modernising economic structure, a shift in the customer base towards wage earners and households.

1990s

In the early 1990s, banking businesses in Finland entered a period of unprecedented crisis. Despite difficulties, OP Bank Group survived the years of crisis without assistance.

1996

OP Bank Group was the first in Europe and the second in the world to provide online banking services.



2016

A new cooperative bank was founded within OP Financial Group, when Helsinki OP Bank Ltd became Helsinki Area Cooperative Bank.

2024

OP Uusimaa has more than half a million customers and over 360,000 owner-customers.



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